

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1570**  
**91ST GENERAL ASSEMBLY**

---

Reported from the Committee on Transportation, April 23, 2002, with recommendation that the House Committee Substitute for House Bill No. 1570 Do Pass.

TED WEDEL, Chief Clerk

3271L.08C

---

**AN ACT**

To repeal sections 142.803, 144.020, 144.021, and 226.134, RSMo, and to enact in lieu thereof eight new sections relating to transportation, with a referendum clause.

---

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 142.803, 144.020, 144.021, and 226.134, RSMo, are repealed and  
2 eight new sections enacted in lieu thereof, to be known as sections 43.272, 142.803, 144.020,  
3 144.021, 226.134, 226.137, 227.108, and 1, to read as follows:

**43.272. 1. There is hereby created in the state treasury the "Missouri State  
2 Highway Patrol Fund", which shall consist of moneys distributed pursuant to subsection  
3 3 of section 144.020, RSMo. The fund shall be administered by the department of public  
4 safety. Upon appropriation, moneys in the fund shall be used exclusively for purposes  
5 authorized in this chapter.**

**6 2. Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any  
7 moneys remaining in the fund at the end of the biennium shall not revert to the credit of  
8 the general revenue fund.**

**9 3. The state treasurer shall invest moneys in the fund in the same manner as other  
10 funds are invested. Any interest and moneys earned on such investments shall be credited  
11 to the fund.**

142.803. 1. A tax is levied and imposed on all motor fuel used or consumed in this state  
2 as follows:

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

3 (1) Motor fuel, seventeen cents per gallon[. Beginning April 1, 2008, the tax rate shall  
4 become eleven cents per gallon];

5 (2) Alternative fuels, not subject to the decal fees as provided in section 142.869, with  
6 a power potential equivalent of motor fuel. In the event alternative fuel, which is not commonly  
7 sold or measured by the gallon, is used in motor vehicles on the highways of this state, the  
8 director is authorized to assess and collect a tax upon such alternative fuel measured by the  
9 nearest power potential equivalent to that of one gallon of regular grade gasoline. The  
10 determination by the director of the power potential equivalent of such alternative fuel shall be  
11 prima facie correct;

12 (3) Aviation fuel used in propelling aircraft with reciprocating engines, nine cents per  
13 gallon as levied and imposed by section 155.080, RSMo, to be collected as required under this  
14 chapter.

15 2. All taxes, surcharges and fees are imposed upon the ultimate consumer, but are to be  
16 precollected as described in this chapter, for the facility and convenience of the consumer. The  
17 levy and assessment on other persons as specified in this chapter shall be as agents of this state  
18 for the precollection of the tax.

19 **3. In addition to the tax levied and imposed pursuant to subdivision (1) of**  
20 **subsection 1 of this section, an additional tax of three cents per gallon is hereby levied and**  
21 **imposed on motor fuel used or consumed in this state. The revenue derived from the**  
22 **additional tax of three cents per gallon imposed pursuant to this subsection shall be**  
23 **distributed and used as provided in article IV, section 30(a) of the Missouri Constitution.**  
24 **The additional tax imposed pursuant to this subsection is imposed upon the ultimate**  
25 **consumer, but is to be precollected as described in this chapter, for the facility and**  
26 **convenience of the consumer. The levy and assessment on other persons as specified in this**  
27 **chapter shall be as agents of this state for the precollection of the tax. The additional**  
28 **revenue derived from the tax imposed by this subsection shall not be part of the total state**  
29 **revenue within the meaning of article X, sections 17 and 18 of the Missouri Constitution.**  
30 **The expenditure of this revenue shall not be an expense of state government pursuant to**  
31 **article X, section 20 of the Missouri Constitution. The additional tax imposed by this**  
32 **section shall expire on December 31, 2022.**

144.020. 1. A tax is hereby levied and imposed upon all sellers for the privilege of  
2 engaging in the business of selling tangible personal property or rendering taxable service at  
3 retail in this state. The rate of tax shall be as follows:

4 (1) Upon every retail sale in this state of tangible personal property, including but not  
5 limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard  
6 motors, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale

7 involves the exchange of property, a tax equivalent to four percent of the consideration paid or  
8 charged, including the fair market value of the property exchanged at the time and place of the  
9 exchange, except as otherwise provided in section 144.025;

10 (2) A tax equivalent to four percent of the amount paid for admission and seating  
11 accommodations, or fees paid to, or in any place of amusement, entertainment or recreation,  
12 games and athletic events;

13 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of  
14 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or  
15 industrial consumers;

16 (4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local  
17 and long distance telecommunications service to telecommunications subscribers and to others  
18 through equipment of telecommunications subscribers for the transmission of messages and  
19 conversations and upon the sale, rental or leasing of all equipment or services pertaining or  
20 incidental thereto; except that, the payment made by telecommunications subscribers or others,  
21 pursuant to section 144.060, and any amounts paid for access to the Internet or interactive  
22 computer services shall not be considered as amounts paid for telecommunications services;

23 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of  
24 services for transmission of messages of telegraph companies;

25 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,  
26 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,  
27 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are  
28 regularly served to the public;

29 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets  
30 by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such  
31 buses and trucks as are licensed by the division of motor carrier and railroad safety of the  
32 department of economic development of Missouri, engaged in the transportation of persons for  
33 hire;

34 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of  
35 tangible personal property, provided that if the lessor or renter of any tangible personal property  
36 had previously purchased the property under the conditions of "sale at retail" as defined in  
37 subdivision [(8)] (10) of section 144.010 or leased or rented the property and the tax was paid  
38 at the time of purchase, lease or rental, the lessor, sublessor, renter or subrenter shall not apply  
39 or collect the tax on the subsequent lease, sublease, rental or subrental receipts from that  
40 property. The purchase, rental or lease of motor vehicles, trailers, motorcycles, mopeds,  
41 motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in this  
42 section and section 144.070. In no event shall the rental or lease of boats and outboard motors

43 be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation  
44 nor shall any such rental or lease be subject to any tax imposed to, for, or in such places of  
45 amusement, entertainment or recreation. Rental and leased boats or outboard motors shall be  
46 taxed [under the provisions of] **pursuant to** the sales tax laws as provided under such laws for  
47 motor vehicles and trailers. Tangible personal property which is exempt from the sales or use  
48 tax [under] **pursuant to** section 144.030 upon a sale thereof is likewise exempt from the sales  
49 or use tax upon the lease or rental thereof.

50         2. All tickets sold which are sold [under the provisions of] **pursuant to** sections 144.010  
51 to 144.525 which are subject to the sales tax shall have printed, stamped or otherwise endorsed  
52 thereon, the words "This ticket is subject to a sales tax."

53         **3. (1) In addition to the tax levied and imposed pursuant to subdivisions (1) to (8)**  
54 **of subsection 1 of this section, an additional tax of seven-eighths of one percent is hereby**  
55 **levied and imposed upon all sellers for the privilege of engaging in the business of selling**  
56 **tangible personal property or rendering taxable service at retail in this state, and in**  
57 **addition to the tax levied and imposed pursuant to section 144.440, there is hereby levied**  
58 **and imposed upon every person for the privilege of using the highways or waterways of**  
59 **this state an additional tax equivalent to seven-eighths of one percent of the purchase price,**  
60 **as defined in section 144.070, which is paid and charged on new and used motor vehicles,**  
61 **trailers, boats, and outboard motors purchased or acquired for use on the highways or**  
62 **waters of this state which are required to be registered pursuant to the laws of Missouri.**  
63 **In the event that the revenue derived from the additional seven-eighths of one percent rate**  
64 **imposed pursuant to this section is less than or exceeds the total amount distributed in**  
65 **paragraphs (b) and (c) of this subsection, the amount distributed pursuant to each such**  
66 **subdivision shall be increased or decreased by the percentage of increase or decrease of**  
67 **revenue. Except for the revenue derived from the additional seven-eighths of one percent**  
68 **rate imposed upon the sale of motor vehicles, trailers, motorcycles, and motortricycles, and**  
69 **the additional seven-eighths of one percent imposed upon the purchase price of new and**  
70 **used motor vehicles, trailers, boats, and outboard motors for the privilege of using the**  
71 **highways or waterways of this state, which shall be distributed pursuant to article IV,**  
72 **section 30(b) of the Missouri Constitution, the revenue derived from the additional seven-**  
73 **eighths of one percent rate imposed pursuant to this section shall be deposited and used**  
74 **exclusively as follows:**

75         (a) One-fourth of such revenue to be deposited in the Missouri state highway patrol  
76 fund;

77         (b) Twenty million dollars per year to be deposited in the state transportation fund;

78         (c) The remainder of such revenue to be deposited in the state road fund.

79           **(2) The additional revenue derived from the tax imposed by this subsection shall**  
80 **not be part of the total state revenue within the meaning of article X, sections 17 and 18 of**  
81 **the Missouri Constitution. The expenditure of this revenue shall not be an expense of state**  
82 **government pursuant to article X, section 20 of the Missouri Constitution. The additional**  
83 **tax imposed by this subsection shall expire on December 31, 2022.**

144.021. The purpose and intent of sections 144.010 to 144.510 is to impose a tax upon  
2 the privilege of engaging in the business, in this state, of selling tangible personal property and  
3 those services listed in section 144.020. The primary tax burden is placed upon the seller making  
4 the taxable sales of property or service and is levied at the rate provided for in section 144.020.  
5 Excluding sections 144.070, 144.440 and 144.450, the extent to which a seller is required to  
6 collect the tax from the purchaser of the taxable property or service is governed by section  
7 144.285 and in no way affects sections 144.080 and 144.100, which require all sellers to report  
8 to the director of revenue their "gross receipts", defined herein to mean the aggregate amount of  
9 the sales price of all sales at retail, and remit tax at four **and seven-eighths** percent of their gross  
10 receipts.

226.134. All projects funded by bonds authorized in section 226.133 **and 226.137** shall  
2 be funded in conformity with the priorities established in the 1992 plan developed by the  
3 transportation department.

**226.137. 1. The general assembly may authorize the highways and transportation**  
2 **commission to issue bonds or other evidence of indebtedness from fiscal year 2007 to fiscal**  
3 **year 2022. The principal amount of such bonds shall be no less than one hundred fifty**  
4 **million dollars nor greater than two hundred fifty million dollars in any one fiscal year.**  
5 **Net proceeds, after costs of issuance have been paid, from the issuance of the bonds shall**  
6 **be provided to the highways and transportation commission to pay for the cost of**  
7 **construction engineering and construction. The proceeds from the bonds shall not be used**  
8 **to pay for administrative expenses, including but not limited to planning and design**  
9 **expenses. Contracted final design shall not be considered an administrative expense, but**  
10 **shall not exceed seven percent of any project.**

11           **2. To obtain authorization for the issuance of bonds, the highways and**  
12 **transportation commission shall annually present to the general assembly, by the tenth**  
13 **legislative day, a proposed plan and an analysis demonstrating the feasibility and**  
14 **appropriateness thereof. The plan to issue bonds shall become effective no later than**  
15 **forty-five calendar days after the plan proposed by the highways and transportation**  
16 **commission is submitted to a regular session of the general assembly, unless it is**  
17 **disapproved within forty-five calendar days of its submission to a regular session by a**  
18 **concurrent resolution introduced within fourteen calendar days of the submission of the**

19 plan to a regular session of the general assembly and adopted by a majority vote of the  
20 elected members of each house. If no concurrent resolution disapproving of the highway  
21 plan is introduced within fourteen calendar days of the submission of the plan to the  
22 legislature, then the plan shall become effective immediately. The presiding officer of each  
23 house in which a concurrent resolution disapproving of a plan to issue bonds has been  
24 introduced, unless the resolution has been previously accepted or rejected by that house,  
25 shall submit it to a vote of the membership not sooner than seven calendar days or later  
26 than fourteen calendar days after introduction of the concurrent resolution pertaining to  
27 the department of transportation plan. The presiding officer of the house passing a  
28 concurrent resolution disapproving of a plan to issue bonds shall immediately forward the  
29 bill to the other house and the presiding officer of that house shall submit it to a vote of the  
30 membership not sooner than seven calendar days or later than fourteen calendar days of  
31 its receipt from the other legislative body. The plan submitted by the highways and  
32 transportation commission shall not be subject to amendment by either chamber and may  
33 only be rejected in its entirety.

34       3. The highways and transportation commission shall offer such bonds at public  
35 sale or negotiated sale. The bonds shall be for a period of not less than ten years and not  
36 more than twenty years from their date of issue and shall bear interest at a rate or rates  
37 not exceeding the rate permitted by law.

38       4. The proceeds of the sale or sales of any bonds issued pursuant to this section  
39 shall be paid into the state road fund to be expended for the purpose specified pursuant to  
40 section 226.220.

41       5. Bonds issued pursuant to this section shall be state road bonds as such term is  
42 used in section 30(b) of article IV of the Missouri Constitution, and as such, principal and  
43 interest payments on such bonds shall be made from the state road fund as provided in  
44 section 30(b) of article IV of the Missouri Constitution. Bonds issued pursuant to this  
45 section shall not be deemed to constitute a debt or liability of the state or a pledge of the  
46 full faith and credit of the state, and the principal and interest on such bonds shall be  
47 payable solely from the state road fund. Bonds issued pursuant to this section, the interest  
48 thereon, or any proceeds from such bonds shall be exempt from taxation in the state of  
49 Missouri for all purposes except for the state estate tax.

50       6. Bonds may be issued for the purpose of refunding, either at maturity or in  
51 advance of maturity, any bonds issued pursuant to this section. The proceeds of such  
52 refunding bonds may either be applied to the payment of the bonds being refunded or  
53 deposited in trust and maintained in cash or investments for the retirement of the bonds  
54 being refunded, as shall be specified by the highways and transportation commission and

55 the authorizing resolution or trust indenture securing such refunding bonds. The  
56 authorizing resolution or trust indenture securing the refunding bonds shall specify the  
57 amount and other terms of the refunding bonds and may provide that the refunding bonds  
58 shall have the same security for their payment as provided for the bonds being refunded.  
59 The refunding bonds shall be for a period of not less than ten years and not more than  
60 twenty years from their date of issue and shall bear interest at a rate or rates not exceeding  
61 the rate permitted by law. The principal amount of refunding bonds issued pursuant to  
62 this section shall not be counted toward the limit on the principal amount of bonds  
63 permitted pursuant to this section.

227.108. In any construction contract, whether involving state or federal funds, the  
2 highways and transportation commission shall require that each person submitting a  
3 request for qualifications provide a detailed disadvantaged business enterprise  
4 participation plan. The plan shall provide information describing the experience of the  
5 person in meeting disadvantaged business enterprise participation goals, how the person  
6 will meet the department of transportation's disadvantaged business enterprise  
7 participation goal and such other qualifications that the commission considers to be in the  
8 best interest of the state.

**Section 1. This act shall become effective January 1, 2003.**

Section B. Section A of this act is hereby submitted to the qualified voters of this state  
2 for approval or rejection at an election which is hereby ordered and which shall be held and  
3 conducted on the Tuesday immediately following the first Monday in November, 2002, or at a  
4 special election to be called by the governor for that purpose, pursuant to the laws and  
5 constitutional provisions of this state applicable to general elections and the submission of  
6 referendum measures by initiative petition, and it shall become effective when approved by a  
7 majority of the votes cast thereon at such election and not otherwise.

Section C. At the general election on the first Tuesday immediately following the first  
2 Monday in November 2002, and every ten years thereafter, the secretary of state shall submit to  
3 the electors of this state the question: "Shall the additional revenues for transportation included  
4 in sections 142.803, 142.804, 144.020 and 144.021, as approved by the voters in the November  
5 2002 general election or any special election called by the governor for such purpose, be renewed  
6 and extended for ten years?". If a majority of the votes cast thereon is for the affirmative, the  
7 additional revenues shall be renewed and extended for ten years. If a majority of the votes cast  
8 thereon is for the negative, the decennial referendum provision of this section, the increase in  
9 rates included in sections 142.803, 142.804, 144.020, and 144.021, as approved by the voters in  
10 the November 2002 general election or any special election called by the governor for such  
11 purpose and which direct the deposit and use of revenues pursuant to section A of this act shall

12 expire on July first following the election and return to the provisions in effect on January 1,  
13 2002.